

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**In re Application of ARIDA, LLC,
Earl Management LTD,
Finenergoinvest, LLC,
(PKC)
Alexey Grachev,
Applicants.**

Case No. 1:19-MC-00522

SECOND DECLARATION OF VASILY SIDOROV

I, Vasily Sidorov, declare as follows:

1. I am a citizen of the Russian Federation. I am fluent in the English language. I am the sole shareholder and general director of ARIDA, LLC, one of the Applicants in this case. ARIDA, LLC ("ARIDA") is a private investment company registered and doing business in the Russian Federation.

2. I am a graduate of the Wharton School of Business of the University of Pennsylvania and the Moscow State Institute of International Relations (International Law Faculty, Foreign Languages: Arabic, French).

3. My business career spans 27 years, starting with work at international companies like Arthur Andersen (in Moscow), New York Mercantile Exchange (NYMEX), Barents Group LLC of KPMG Peat Marwick (in Washington DC and in Moscow), as principal owner and managing partner of several companies specialized in advising clients on investments, mergers and acquisitions and securities transactions in Russia, then working in the Telecommunications sector for 14 years (including being the President & CEO of Russia's largest telecom company – NYSE-listed Mobile TeleSystems (ticker: MBT)), and subsequently as professional investor, as well as shareholder activist and corporate governance professional at major companies (currently including Aeroflot Russian Airlines, Russian Post (Russia's postal service), and the publisher of Forbes-Russia). My public profile as

Independent Director of Aeroflot is available at <https://ir.aeroflot.com/en/management-detail/article/55534/>.

4. My area of expertise as a manager is strategy, business development, finance, corporate restructuring, organizational development, M&A, as well as investor relations. As a private investor I focus on venture capital (mostly Seed/Round A-B investments in marketplaces, delivery, ride-hailing, fintech services, SaaS), private equity and special situations (debt and equity) investment in Russia, Continental Europe, the United States, as well as several frontier markets.

5. I submit this Declaration in opposition to June Homes' and Daniel Mishin's Reply Memoranda, Notice of Supplemental Evidence and Declaration of Oskar Hartmann.

6. The statements contained herein are true to the best of my memory, information and belief. The facts contained herein, unless otherwise indicated, are based on my personal knowledge or on documents I personally reviewed.

7. On January 17, 2020, Oskar Hartmann approached me during a social event at a restaurant in Moscow, Russia. I did not seek contact with him. I knew Mr. Hartmann through a common acquaintance, but had no intention of speaking to him beyond the common greeting politesse. I was also unaware that he had anything to do with either one of the Mishin brothers or June Homes.

8. Upon approaching me, Mr. Hartmann stated that he had heard that I was having problems with the Mishin brothers and started asking questions about the legal proceedings that were going on. Our conversation was in the Russian language.

9. I was very surprised when he asked me about the cases. The information that I personally lost funds in the Brio Ponzi scheme was only available in the court filings in this action. In the Russian proceedings, only my company's name is listed among the creditors of Brio Finance.

10. The news of the Brio scam that Mr. Hartmann mentions in ¶ 7 of his Declaration filed in this action, had been published a year before our meeting, right after Vladislav Mishin's disappearance. Neither my name, nor my company's name, nor Daniel Mishin or June Homes were ever mentioned in those articles or otherwise in any media, to my knowledge. The only way Mr. Hartmann could have learned about my exposure to Brio fraud was either from one of the Mishin brothers directly or from having reviewed the filings in this action.

11. I responded to Mr. Hartmann that Vladislav Mishin had stolen money from me and many other people, and that there were legal proceedings taking place in Russia and the U.S. During that conversation I never mentioned any names of other defrauded creditors.

12. I did mention to Mr. Hartmann that Vladislav and Daniel Mishin had a joint hostel business in Russia, similar to June Homes, which, to my knowledge, had gone bust, and that investors'/creditors' monies had been lost. Daniel Mishin left Russia and immigrated to the United States after this hostel business in Russia went bust.

13. My knowledge of the Mishins' hostel business in Russia came from conversations I had with Vladislav Mishin in or about the summer of 2018, when he told me that Daniel "had to" leave Russia after that business failed.

14. I have read Mr. Hartmann's Declaration dated March 2, 2020. The Declaration contains false and misleading statements, specifically as follows:

¶ 8. "Sidorov became very excited and tried to explain to me that Daniel and Vladislav Mishin are 'bad guys.'" False, I did not say that, and I do not use that type of language.

¶ 8. "He alleged that June Homes was built on monies stolen by Vladislav." False, I did not say that.

¶ 9. "He said unless they were repaid, they would attack Daniel and June Homes in America." False, I did not say that or anything like that. I



told Mr. Hartmann that I was part of a group of defrauded investors who lost money in the Brio scam and that there were legal proceedings taking place in Russia and in the U.S.

¶ 10. “He accused Daniel and June Homes of a ‘pattern of activity’ which included ‘money laundering’ of the proceeds of the alleged fraud by Vladislav into June Homes.” False, I did not say that, and I did not use the words “pattern of activity” or “money laundering.” My conversation with Mr. Hartmann was in the Russian language, not in English.

I did use a phrase “*определенные паттерны*,” translated from Russian as “*certain patterns*,” referring to Mishin businesses in Russia going bust one after another.

Speaking about Brio only, I used a phrase “*отмывать деньги*,” translated from Russian as “*launder money*,” when I noted that laundering money was likely a part of the Ponzi scheme that the Brio scam turned out to be. I did not make any such accusations against Daniel Mishin or June Homes.

I used both phrases in their general and common use sense, not as technical legal terms under any law or statute, whether Russian or the U.S. I was not familiar with legal terminology used in the U.S. Federal RICO law at the time. My counsel explained it to me later, when we reviewed Notice of Supplemental Evidence and Mr. Hartmann’s Declaration.

¶ 10. “He said ‘we will go all the way’ and ‘we will use all possibilities’ through legal proceedings and this will not stop until they would get



their money back.” False, I did not say that, Mr. Hartmann is misquoting me and misrepresenting what I said. As I stated earlier, I told Mr. Hartmann that I was part of a group of defrauded investors who lost money in the Brio scam and that legal proceedings were taking place in Russia and the United States. I stated that we were sure of the merits of our legal actions and were prepared to pursue them.

¶ 11. “He said Daniel, June Homes and my investment as well will likely become ‘collateral damage’ and it will ‘collapse’ if they are not paid.” False, I did not say that. During our conversation Mr. Hartmann told me that he was an investor in June Homes and was interested in protecting his investment, and then he stated to me that he would not want to become “collateral damage” in the matter, to which I only replied that I understood his position.

¶ 11. “He said that ‘we all know how the American system works. We all worked there.’” Here, Mr. Hartmann takes my words out of context and casts them in a bad light by strategically placing them after his preceding allegation in paragraph 11. As I describe above, I told Mr. Hartmann that I was part of a group of defrauded investors who lost money in the Brio scam and that legal proceedings were taking place in Russia and the U.S. I stated that we were certain of the merits of our legal actions and were prepared to pursue them. In that context, I stated that we have worked in the United States before and understand how the legal system works here.

¶ 12. “Sidorov asked that I arrange for Daniel to speak to him.” False, I did not ask him that during our conversation. Rather, Mr. Hartmann



himself, after confiding in me that he was an investor in June Homes and did not want to become “collateral damage,” told me that Daniel Mishin was about to take a “very aggressive position” in this case and launch a legal attack against Applicants, but now that he was speaking with me, he felt that he was talking to a reasonable person and stated that he would try to convince Daniel Mishin to try a “different approach.”

¶ 13. In this paragraph Mr. Hartmann states, “I am familiar with Russian business practices based on years of experience here. Threats of civil and criminal proceedings are often made to resolve business disputes.” This statement is Mr. Hartmann’s derogatory opinion that has nothing to do with what was said during our conversation.

¶¶ 14 and 15. Both paragraphs contain false and inflammatory allegations. At no point I made any “threats” or demands, and nothing said during our conversation could even remotely be interpreted as such.

¶ 14. “I clearly understood Sidorov’s threats to mean that unless Daniel and June Homes paid money, his group would initiate civil and criminal proceedings involving allegations of money laundering and fraud against Daniel and June Homes in America.” False, I did not say that or anything like that.

¶ 15. “The threat further implied that this would impact Daniel’s ability to live in the United States (he is a Russian citizen) and June Homes’ ability to raise capital, jeopardizing June Homes’ existence.” False, I did not say that or anything like that. I do not know Daniel Mishin’s immigration status in the United States.



¶ 15. Finally, Mr. Hartmann alleges, “I considered it to be a threat that I would risk losing my investment in June Homes as ‘collateral damage’ if I did not assist Sidorov.” As I describe above, Mr. Hartmann approached me at a social event, initiated a conversation about the Mishin brothers, confided in me that he was an investor in June Homes and stated that he did not want his investment to become “collateral damage” in the matter, and then offered his unsolicited “assistance” by stating that he would try to convince Daniel Mishin to not take an “aggressive litigation position” and try a “different approach.”

15. On or about January 20, 2020, three days after our conversation, Mr. Hartmann called me and told me that he had “managed to convince” Daniel Mishin not to engage in aggressive litigation and instead have a direct conversation with me. I told him that I would consider his proposal and get back to him.

16. On January 27, 2020, I contacted Mr. Hartmann via WhatsApp text messenger, suggesting a meeting, “in follow up to our conversation [and] in view of your offer/willingness to help with resolving the situation.” See Exhibit 1, 2020 WhatsApp text messages between me and Mr. Hartmann and between me and Daniel Mishin.

17. On January 29, 2020, Mr. Hartmann replied that he was in Germany and would come back to Russia in the following week. He also texted me on an unrelated business topic, seeking friendly business advice relating to Russian Post.

18. On February 3, 2020, I received the following message from him:

Dan confirmed his readiness to meet. He is ready to have a dialog to clarify the misunderstandings towards him and potentially add his brother by video if that helps in the actual case. I understand that you have his number to call tomorrow after you synchronized. If not, let me know, I will send it. Best, Oskar



Looking back at our text messages now, I note that, unlike his previous and later texts, this particular message was written in English and appears to have been drafted with somebody else's assistance because this was not Mr. Hartmann's writing style.

19. On February 4, 2020, I responded to him in Russian, asking to clarify whether Daniel Mishin was willing to meet or talk over the phone, and proposing to meet somewhere in Europe ("London/Geneva/Zurich/Paris").

20. Mr. Hartmann responded in Russian: "Yes. Meeting;" and then, "Dial him, set it up."

21. After his last text message, I contacted Daniel Mishin on February 4, 2020, also via WhatsApp, and had the following exchange of text messages with him (in Russian):

VS: Good afternoon, Daniel! Oskar Hartmann said that it makes sense for us to talk. A phone call?

DM: Good afternoon, Vasily, yes, I can at 2:30 pm New York time?

VS: OK, let's do it


DM: Till then, I will wait for the call

VS: OK

VS: Called

22. Following the above exchange of text messages on WhatsApp, I had a telephone conversation with Daniel Mishin on that day. Daniel Mishin told me that he wanted to have a meeting and also offered to connect Applicants with his brother, Vladislav. He also told me that he would want to ensure that any conversation we have with him and his brother could not be used against anyone in the future, and therefore he would discuss everything with his attorneys first and get back to me.

23. Daniel called me again on February 10, 2020. He told me that his attorneys had suggested a mediation. He told me that, as his attorneys explained to him, at a mediation parties could speak freely and exchange information, which could not be later used in court against any party. We agreed to his proposal in principle, subject to me conferring with other Applicants and agreeing later on specifics.



24. On February 11, 2020, we had another phone call, during which Daniel asked if I would come to the United States for mediation and confirmed that his brother Vladislav would participate via video-link. He noted that "it should have been resolved a year ago." I replied that Applicants had no plans of traveling to the United States and proposed to meet in Europe instead, which was logistically more convenient for Applicants.

25. After those conversations, I had another phone call with Mr. Hartmann and asked him whether he would be willing to act as a mediator in potential mediation proposed by Daniel, which at that time he rejected.

26. On February 17, 2020, Daniel Mishin again texted me via WhatsApp, in Russian, with a follow up on his proposal on mediation:

DM: Vasily, in continuation of our conversation on negotiations with a mediator, there is an update. A phone call?

27. We then had a phone conversation on that day, during which Daniel stated that he would be traveling to Berlin, Germany at the end of March 2020 and suggested that either Berlin or another place in Europe easily reachable from Berlin would work for a meeting. He asked me again whether I had any plans of traveling to the United States.

28. I had no further communications with either Oskar Hartmann or Daniel Mishin after the last phone conversation with Daniel Mishin described in the preceding paragraph.

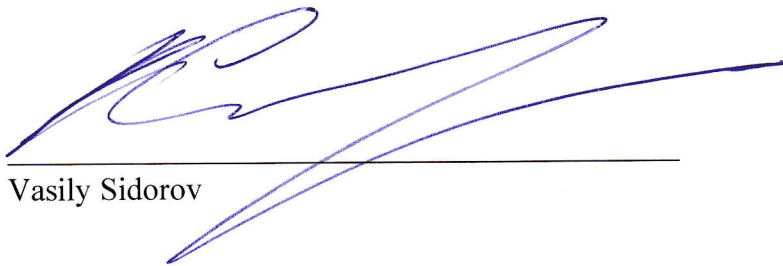
29. At no time during the communications described above I said anything to either Oskar Hartmann or Daniel Mishin that could be understood as or interpreted to imply any threats against Daniel Mishin personally or June Homes or any payment demands.

30. I had no intention or desire to have contact with either Oskar Hartmann or Daniel Mishin. They repeatedly contacted me over a month and a half period with their suggestions of a meeting and mediation. As I understand now, the sole purpose of their

communications was to elicit any statements from me that could be used in court in support of June Homes' Motion to Vacate Section 1782 Order in this action.

I execute this declaration outside the United States and, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, to the best of my knowledge, information and belief.

Executed this 19th day of June, 2020 in Moscow, Russia.



Vasily Sidorov

**January/February 2020 Communications Between
Oskar Hartmann and Vasily Sidorov**

Date and Time	From	Original Text	Translation/English Language Text
1/27/20 10:04	Vasily Sidorov	Оскар, привет! В продолжение нашего разговора, с учетом текущего развития событий, а также в контексте озвученного тобой предложения/готовности помочь разрешению ситуации хотел бы предложить пересечься на этой неделе со мной и еще одним участником-кредитором (Иосифом Бакалейником). Сможешь?	Hello, Oscar! In follow up to our conversation, taking into account the development of events, and in view of your offer/willingness to help with resolving the situation, I would like to propose to meet this week with me and another participant creditor (Joseph Bakaleynik). Can you?
1/29/20 14:31	Oskar Hartmann	Василий привет	Hello Vasily
1/29/20 14:31	Oskar Hartmann	Только сейчас увидел	Just seeing this now
1/29/20 14:36	Vasily Sidorov	Привет	Hello
1/29/20 14:36	Vasily Sidorov	No problem	No problem
1/29/20 14:37	Oskar Hartmann	Я буду в Германии	I will be in Germany
1/29/20 14:37	Oskar Hartmann	На следующей неделе	Next week
1/29/20 14:37	Oskar Hartmann	Вернусь	Will be back
1/29/20 14:39	Vasily Sidorov	Понял. ОК	Understood. OK
1/29/20 14:42	Oskar Hartmann	Хотел спросить по другому вопросу	I wanted to ask re another question ¹
1/29/20 14:42	Oskar Hartmann	Слышал что почта очень активно смотрит на дигитализацию	I heard that the post ² is very actively looking at digitalization

¹ The log includes unrelated business communications on 1/29/20.

² Russian Post

1/29/20 14:43	Oskar Hartmann	И инвестиции которые позволяют использовать их точки	And investments that allow you to use their points
1/29/20 14:43	Oskar Hartmann	Это правда?	Is it true?
1/29/20 14:43	Vasily Sidorov	Да:)	Yes:)
1/29/20 14:44	Vasily Sidorov	PS: встретиться кстати можем и в Европе	PS: by the way we can also meet in Europe
1/29/20 14:44	Oskar Hartmann	С кем там лучше всего говорить?	Who is best person to talk to there? ³
1/29/20 14:45	Vasily Sidorov	Хороший вопрос	Good question
1/29/20 14:45	Vasily Sidorov	Лучше подождать немного	Better to wait a little
1/29/20 14:45	Vasily Sidorov	В контексте смены CEO	In the context of the change of CEO
1/29/20 14:45	Oskar Hartmann	Понял	Understood
1/29/20 14:45	Oskar Hartmann	Я так понимаю и команда формируется	As I understand, the team is also being formed
1/29/20 14:46	Vasily Sidorov	Ну да. Она уже была/есть но очевидно будут изменения	Well, yes. It already did/does exist but there will clearly be changes
2/3/20 21:50	Oskar Hartmann	Dan confirmed his readiness to meet. He is ready to have a dialog to clarify the misunderstandings towards him an potentially add his brother by video if that helps in the actual case. I understand you have his number to call tomorrow after you synchronized. If not let me know, I will send it. Best, Oskar Hartmann	Dan confirmed his readiness to meet. He is ready to have a dialog to clarify the misunderstandings towards him an potentially add his brother by video if that helps in the actual case. I understand you have his number to call tomorrow after you synchronized. If not let me know, I will send it. Best, Oskar Hartmann ⁴
2/4/20 12:04	Vasily Sidorov	Оскар, привет! Хочу уточнить: Даниил готов встретиться или поговорить по телефону? Нам кажется, что более продуктивным было бы увидеться. Как вариант – где-нибудь в Европе (Лондон/Женева/Цюрих/Париж?). Если да, то когда он может?	Hello, Oscar! I want to clarify: is Daniel ready to meet or to talk on the phone? It seems to us that it would be more productive to meet. As an option – somewhere in Europe (London/Geneva/Zurich/Paris?). If yes, when can he?

³ At Russian Post

⁴ This message was originally in English language.

2/4/20 12:05	Vasily Sidorov	И оттуда сможем вместе связаться с братом-беглецом.	And from there we can contact the run-away brother together.
2/4/20 12:06	Oskar Hartmann	Да. Встреча	Yes. Meeting
2/4/20 12:06	Oskar Hartmann	Набери ему, договоритесь	Dial him, set it up
2/4/20 12:06	Vasily Sidorov	ОК	OK

**February 2020 Communications Between
Daniel Mishin and Vasily Sidorov**

Date and Time	From	Text	Translation
2/4/20 20:02	Vasily Sidorov	Даниил, добрый день! Оскар Хартманн сказал, что нам есть смысл поговорить. Созвонимся?	Good afternoon, Daniel! Oscar Hartmann said that it makes sense for us to talk. A phone call?
2/4/20 20:05	Daniel Mishin	Добрый день, Василий, да, могу в 14:30 по Нью Йорку?	Good afternoon, Vasily, yes, I can at 2:30 pm New York time?
2/4/20 20:05	Vasily Sidorov	ОК, давайте	Ok, let's do it
2/4/20 20:05	Daniel Mishin	До связи, буду ждать звонка	Till then, I will wait for the call
2/4/20 20:05	Vasily Sidorov	ОК	OK
2/4/20 22:31	Vasily Sidorov	Звонил	Called
2/11/20 16:01	Vasily Sidorov	Готов ответить на вчерашний вопрос. На связи.	Ready to answer yesterday's question. Available for a call.
2/11/20 16:19	Daniel Mishin	Добрый день. Я на связи	Good afternoon. I am available for a call.
2/11/20 16:22	Vasily Sidorov	Недоступны	[You are] unavailable
2/17/20 20:10	Daniel Mishin	Василий, в продолжение нашего разговора по переговорам с медиатором есть апдейт. Созвонимся?	Vasily, in continuation of our conversation on negotiations with a mediator, there is an update. A phone call?
2/17/20 20:12	Vasily Sidorov	Можем. Но я сейчас занят. Освобожусь через 2-2,5 часа. Напишу.	We can. But I'm busy now. I'll be free in about 2-2.5 hours. Will text.

2/17/20 20:12	Daniel Mishin	Не вопрос, я на связи	No problem, I am available
2/17/20 22:18	Vasily Sidorov	Освободился. Удобно?	I freed up. Convenient?
2/17/20 23:03	Daniel Mishin	Да готов.	Yes, ready.
2/17/20 23:24	Vasily Sidorov	Я на связи	I am available
2/17/20 23:26		(missed call at 23:26)	
2/17/20 23:26	Daniel Mishin	Набирал вас	Dialed you
2/17/20 23:27	Vasily Sidorov	Вы «недоступны для звонка»	You are “unavailable for the call”